

**MINUTES OF REGULAR BOARD MEETING  
OF  
HOLY CROSS ENERGY**

**JANUARY 19, 2011**

A regular meeting of the Board of Directors of Holy Cross Electric Association, Inc., a/k/a Holy Cross Energy (hereinafter called "Holy Cross"), a Colorado corporation, was held at the main office at 3799 Highway 82 in Garfield County at 9:07 a.m. on January 19, 2011.

The Secretary reported that four of the seven Directors were present being Harold F. Clark, Michael A. Glass, Thomas R. Turnbull and Adam L. Palmer. Staff attending included Chief Executive Officer Delvan Worley, Chief Financial Officer Tim Charlton, Chief Operating Officer Richard Brinkley, and General Legal Counsel Randolph W. Starr and Michael A. Westbrook. Directors Lynn E. Dwyer, George H. Shaeffer and David C. Munk were unable to attend the meeting due to schedule conflicts. Also present were Josh Snoddy, Business Analyst II at the Glenwood Springs facility, and Clem Kopf, a member of Holy Cross.

President Clark adjourned the meeting of the Board of Directors originally convened on December 15, 2010, which had been continued until today's meeting.

President Clark asked for comments of members of the public present. Mr. Kopf did not have any comments.

Upon motion duly made by Director Turnbull, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the minutes of the regular meeting of the Board held December 15, 2010, be approved.

A list of general fund disbursements was presented. Questions about certain expenditures were asked by Board members and answered by Mr. Worley and Mr. Charlton. No action was taken as the accounts that were paid have already been accomplished in accordance with Board policy.

The Board then reviewed the Treasurer's Report for December 31, 2010, presented by Director Glass. Director Glass presented a question tutorial about certain aspects of the income statement and balance sheet.

Upon motion duly made by Director Turnbull, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the Treasurer's Report be approved.

The Board reviewed the Safety Report for December 2010, and the minutes for the Safety Operating Committee meeting dated January 11, 2011. After discussion, and upon motion duly made by Director Turnbull, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the Minutes of the Safety Operating Committee dated January 11, 2011, be approved.

President Clark introduced employee Josh Snoddy with five years of service. The Board recognized Mr. Snoddy for his years of service to Holy Cross. President Clark presented an award to Mr. Snoddy. At this time, Steve Casey, Member Services and Marketing Administrator, entered the Board room. At the conclusion of the presentation Mr. Snoddy left the Board room.

Attorneys Starr and Westbrook had no report. Mr. Starr gave a brief report on his trip to New Zealand and on the educational meetings given to Holy Cross's Consumer Service Representatives on January 18, 2011.

Director Glass and Mr. Worley reported on the status of Western United Electric Supply Corporation and the Colorado Rural Electric Association. No Board meetings have occurred.

Mr. Brinkley discussed the proposed changes to Employee Policy E-77 – Use of Communication Systems and Computer Technology. After discussion by the Board, and upon motion duly made by Director Turnbull, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the changes as proposed by Mr. Brinkley to Employee Policy E-77 – Use of Communication Systems and Computer Technology be approved.

Mr. Worley discussed loans to customers for energy efficiency projects on residential and small commercial property. A discussion ensued among the Board members and Director Palmer described his review of the issues. Director Glass commented on the lending aspects of the possible program. Director Palmer and Mr. Worley reported on the status of the Navigant Energy Efficiency Plan and whether the analysis could be changed to include an analysis of financing of energy efficiency projects. It was the consensus of the Board to table the matter to obtain more information about the Navigant proposal.

Director Glass discussed a public relations/communication program proposal for Holy Cross.

A presentation was given by Director Palmer about the Energy Smart Program of Eagle, Pitkin and Garfield Counties. Questions about the program were asked by Board members and answered by Director Palmer. Discussion about the energy audit program of Holy Cross ensued along with the potential of using the Department of Energy Score Program. Information about the energy audit program of Holy Cross had been provided to the Board prior to the meeting. Steve Casey reviewed the materials regarding the energy audit process of Holy Cross.

At this time, a luncheon break was taken. During lunch, Caleb Cargill, Journey Lineworker at the Glenwood Springs facility, was recognized for completing the Holy Cross Apprentice Lineworker Program on November 1, 2010.

Mr. Charlton discussed a new procedure that will be implemented for the process of disconnection of electric service.

Mr. Charlton distributed a Preliminary Draft Assumptions for the 2011 Financial Work Plan and described its contents. Mr. Worley commented on some of the projected expenditures shown on the Plan.

Mr. Charlton gave a report on the matters under his supervision in addition to his written report of January 14, 2011.

Barry Croissant, Supervisor of Purchasing and Facilities, entered the Board room and updated his written report of December 2010. At the conclusion of his report he left the Board room.

Mr. Brinkley reported on matters under his supervision in addition to his written report of January 14, 2011. Mr. Brinkley reviewed the system outage report for November 2010. Mr. Brinkley reviewed the proposals for completion of an engineering long-range-plan for Holy Cross. After discussion, and upon motion duly made by Director Palmer, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the Chief Executive Officer for Holy Cross is authorized to negotiate and sign a contract with a qualified company for preparation of a long-range plan for Holy Cross.

Mr. Brinkley also made a presentation about the safety performance of Holy Cross and proposed the adoption of a resolution by the Board. After discussion, and upon motion duly made by Director Turnbull, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**WHEREAS** Holy Cross Energy places a high value on maintaining a safe environment for employees and members, and

**WHEREAS** the Board believes that taking proactive steps will help improve the cooperative's safety performance,

**NOW THEREFORE BE IT RESOLVED** that the Board of Holy Cross Energy hereby enthusiastically adopts a leadership commitment to the Rural Electric Safety Achievement Program.

Mr. Brinkley also discussed NERC compliance issues, current engineering issues, current electric operations issues and safety issues.

Mr. Worley gave a status report on the Energy Efficiency Plan being developed by Navigant and on the Eagle Springs Solar energy project. Mr. Worley reported on the status of the proposed agreement with Clean Energy Collective, LLC for the purchase of power from a community solar photovoltaic project.

Mr. Worley reported on matters under his supervision in addition to his written report of January 14, 2011.

Directors stated that the miles actually and necessarily traveled in attending this meeting were as follows: Clark 63, Glass 106, Turnbull 28 and Palmer 60.

President Clark recessed the meeting at 2:19 p.m. until the regular Board meeting on February 16, 2011, at 9:00 a.m. The next meeting will be held at Holy Cross's office at 3799 Highway 82 in Glenwood Springs, Colorado.

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Secretary - Thomas R. Turnbull

APPROVED:

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President - Harold F. Clark

NOTE: The 2011 Board meeting dates have been set as follows: February 16, 2011; March 16, 2011; April 20, 2011; May 18, 2011; June 15, 2011; July 20, 2011; August 17, 2011; September 21, 2011; October 19, 2011; November 16, 2011 and December 21, 2011. **The Annual Meeting of Members has been set for June 4, 2011.**